



Walnut Valley Unified School District

Kent L. Bechler, Ph.D., Superintendent

880 South Lemon Avenue, Walnut, California 91789-2931 • Tel (909) 595-1261 • Fax (909) 839-1214

May 20, 2005

The Honorable Board of Supervisors
County of Los Angeles
500 West Temple Street
Room 603 Hall of Administration
Los Angeles, California 90012

Attn: Cammy Dupont

Subj: WALNUT VALLEY UNIFIED SCHOOL DISTRICT REQUEST FOR BOARD
TO LEVY TAXES AND TO DIRECT THE AUDITOR-CONTROLLER TO
PLACE TAXES ON TAX ROLL

Dear Supervisors:

On May 4, 2005, the Board of Trustees of the Walnut Valley Unified School District (the "District") adopted a resolution (the "District Resolution") authorizing the issuance and sale of the District's 2005 General Obligation Refunding Bonds (the "Refunding Bonds") in amount not to exceed \$25,000,000, pursuant to Section 53550 *et seq.* of the Government Code, for the purpose of refunding all or a portion of the outstanding principal amount of the District's General Obligation Bonds, 2000 Election, Series A, the District's General Obligation Bonds, 2000 Election, Series B and the District's General Obligation Bonds, 2000 Election, Series C. Please find enclosed an executed original of the District Resolution.

The District formally requests in accordance with Education Code 15250 that the Los Angeles County Board of Supervisors (the "Board") adopt the enclosed resolution to levy the appropriate taxes and to direct the County Auditor-Controller to place these taxes on the tax roll every year according to a debt service schedule to be supplied by the District following the sale of the Refunding Bonds.

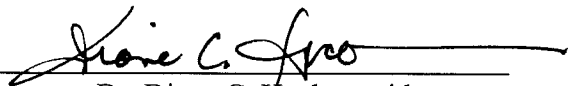
IT IS THEREFORE RECOMMENDED THAT THE BOARD:

1. Adopt the enclosed resolution
2. After the Board has taken action on this letter, the District requests that the Executive Officer-Clerk of the Board furnish two (2) certified copies of the adopted resolution to Stradling Yocca Carlson & Rauth, a Professional Corporation, at 44 Montgomery Street, Suite 4200, San Francisco, CA 94104, Attn: David Casnocha, and send one (1) copy of the adopted resolution to each of the following:

- (a) UBS Financial Services, Inc.
Attention: Richard Calabro
777 South Figueroa Street, 41st Floor
Los Angeles, CA 90017
- (b) Los Angeles County Treasurer and Tax Collector
Attention: William Yuen
500 W. Temple Street, Suite 432
Los Angeles, CA 90012
- (c) Los Angeles County Auditor-Controller
Attention: Sanford Johnson
500 W. Temple Street, Suite 603
Los Angeles, CA 90012
- (d) Los Angeles County Counsel
Attention: Cammy Dupont, Esq.
500 W. Temple Street, Suite 648
Los Angeles, CA 90012

Sincerely,

WALNUT VALLEY UNIFIED SCHOOL
DISTRICT

By: 
Dr. Diane C. Hockersmith
Assistant Superintendent

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, CALIFORNIA AUTHORIZING THE LEVY OF TAXES FOR 2005 GENERAL OBLIGATION REFUNDING BONDS OF THE WALNUT VALLEY UNIFIED SCHOOL DISTRICT, DESIGNATING THE PAYING AGENT THEREFOR AND DIRECTING THE COUNTY AUDITOR-CONTROLLER TO MAINTAIN TAXES ON THE TAX ROLL

WHEREAS, a duly called election was held in the Walnut Valley Unified School District, Los Angeles County, State of California (hereinafter referred to as the "District"), on March 7, 2000 (the "Authorization") and thereafter canvassed pursuant to law;

WHEREAS, at such election there was submitted to and approved by the requisite two-thirds majority of the votes cast by qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum principal amount of \$50,000,000, payable from the levy of an *ad valorem* tax against the taxable property in the District;

WHEREAS, in July 2000, the Board of Supervisors of Los Angeles County (the "County") previously issued under the Authorization on behalf of the District the first series of bonds in the aggregate principal amount of \$7,000,000 (the "Series A Bonds"); and

WHEREAS, in July 2001, the District issued the second series of bonds authorized by the Election in the aggregate principal amount of \$7,000,000 (the "Series B Bonds"); and

WHEREAS, in April 2002, the District issued the third series of bonds authorized by the Election in the aggregate principal amount of \$8,000,000 (the "Series C Bonds," and collectively with the Series A Bonds and Series B Bonds, the "Prior Bonds"); and

WHEREAS, the Board of Education of the District has determined in a resolution adopted on May 4, 2005 (the "District Resolution") to authorize the issuance and sale of its 2005 General Obligation Refunding Bonds (the "Bonds") in the aggregate principal amount of not to exceed \$25,000,000 to advance refund all or a portion of the Prior Bonds pursuant to Section 53550 of the California Government Code;

WHEREAS, the Board of Supervisors (the "Board") of the County has been formally requested by the District to levy taxes in an amount sufficient to pay the principal of and interest on the Bonds when due, and to direct the Auditor-Controller of the County to maintain on its tax roll, and all subsequent tax rolls, taxes sufficient to fulfill the requirements of the debt service schedule for the Bonds, commencing on August 1, 2005 that will be provided to the Auditor-Controller by the District following the sale of the Bonds; and

WHEREAS, the Los Angeles County Treasurer and Tax Collector (the "Treasurer") has been designated by the District to act as the authenticating agent, bond registrar, transfer agent and paying agent (collectively, the "Paying Agent") for the Bonds pursuant to the District Resolution, and the District has consented to the Treasurer contracting with a third party to perform the services of Paying Agent.

NOW, THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. Levy of Taxes. That this Board levy taxes in an amount sufficient to pay the principal of and interest on the Bonds.

SECTION 2. Preparation of Tax Roll. That the Auditor-Controller of the County of Los Angeles is hereby directed to maintain on its tax roll, and all subsequent tax rolls, taxes in an amount sufficient to fulfill the requirements of the debt service schedule for the Bonds, commencing on August 1, 2005, which will be provided to the Auditor-Controller by the District following the sale of the Bonds.

SECTION 3. Paying Agent. That the Treasurer, or the Treasurer's third-party designee, act as Paying Agent for the Bonds.

SECTION 4. Effective Date. That this Resolution shall take effect immediately upon its passage.

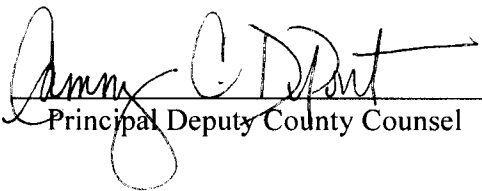
The foregoing resolution was adopted on the __th day of _____, 2005, by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

VIOLET VARONA-LUKENS, Executive Officer-
Clerk of the Board of Supervisors of the County of
Los Angeles

By: _____
DEPUTY

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
COUNTY COUNSEL

By:  _____
Principal Deputy County Counsel

**WALNUT VALLEY UNIFIED SCHOOL DISTRICT
RESOLUTION NO. 05-18**

A RESOLUTION OF THE BOARD OF TRUSTEES OF WALNUT VALLEY
UNIFIED SCHOOL DISTRICT AUTHORIZING THE ISSUANCE OF WALNUT
VALLEY UNIFIED SCHOOL DISTRICT, LOS ANGELES COUNTY, CALIFORNIA,
2005 GENERAL OBLIGATION REFUNDING BONDS

WHEREAS, a duly called election was held in the Walnut Valley Unified School District (the "District"), Los Angeles County, State of California, on March 7, 2000 (the "Election") and thereafter canvassed pursuant to law; and

WHEREAS, at such election there was submitted to and approved by the requisite two-thirds vote of the voters of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of \$50,000,000 payable from the levy of an *ad valorem* tax against the taxable property in the District (the "Authorization"); and

WHEREAS, in July 2000, the Board of Supervisors of Los Angeles County (the "County") issued under the Authorization on behalf of the District the first series of bonds in the aggregate principal amount of \$7,000,000 (the "Series A Bonds"); and

WHEREAS, in July 2001, the District issued the second series of bonds authorized by the Election in the aggregate principal amount of \$7,000,000 (the "Series B Bonds"); and

WHEREAS, in April 2002, the District issued the third series of bonds authorized by the Election in the aggregate principal amount of \$8,000,000 (the "Series C Bonds," and collectively with the Series A Bonds and Series B Bonds, the "Prior Bonds"); and

WHEREAS, pursuant to Section 53550 of the Government Code, the District is authorized to issue refunding bonds (the "Refunding Bonds") to refund all or a portion of the Prior Bonds (collectively, the "Refunded Bonds"); and

WHEREAS, all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of general obligation refunding bonds of the District, and the indebtedness of the District, including this proposed issue of Refunding Bonds, is within all limits prescribed by law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE WALNUT VALLEY UNIFIED SCHOOL DISTRICT AS FOLLOWS:

SECTION 1. Purpose of Refunding Bonds. That to advance refund all or a portion of the aggregate principal amount outstanding of the Refunded Bonds, to provide funds for authorized projects, and to pay all necessary legal, financial, engineering and contingent costs in connection therewith, the District authorizes the issuance of the Refunding Bonds, to be styled as the Walnut Valley Unified School District, Los Angeles County, 2005 General Obligation Refunding Bonds, in an amount not to exceed \$25,000,000. Additional costs authorized to be paid from the proceeds of the Refunding Bonds are all of the authorized costs of issuance set forth in Section 53550(e) and (f) of the Act as hereinafter defined.

SECTION 2. Terms and Conditions of Sale. The Refunding Bonds shall be sold at a negotiated sale upon the direction of the Superintendent of the District (the "Superintendent") or Assistant Superintendent, Business Services of the District (the "Assistant Superintendent"). The Refunding Bonds shall be sold pursuant to the terms and conditions set forth in the form of Contract of Purchase, as described below.

SECTION 3. Approval of Contract of Purchase. The form of Contract of Purchase (the "Contract of Purchase") by and between the District and UBS Financial Services Inc., as underwriter (the "Underwriter"), for the purchase and sale of the Refunding Bonds, substantially in the form on file with the Clerk of the Board, is hereby approved and the Superintendent and the Assistant Superintendent, or a designated deputy thereof, each alone, is hereby authorized to execute and deliver the Contract of Purchase, but with such changes therein, deletions therefrom and modifications thereto as the Superintendent, Assistant Superintendent or designated deputy thereof may approve, such approval to be conclusively evidenced by his or her execution and delivery thereof; provided, however, that the maximum interest rate on the Refunding Bonds shall not exceed the maximum rate permitted by law, and that the Underwriter's discount, excluding original issue discount, thereon shall not exceed 1% of the aggregate of principal amount of Refunding Bonds issued plus original issue premium thereon. The Superintendent and the Assistant Superintendent, each alone, or any designated deputy thereof, is further authorized to determine the principal amount of the Refunding Bonds to be specified in the Contract of Purchase for sale by the District up to \$25,000,000 and to enter into and execute the Contract of Purchase with the Underwriter, if the conditions set forth in this Resolution are satisfied.

SECTION 4. Certain Definitions. As used in this Resolution, the terms set forth below shall have the meanings ascribed to them:

- (a) **"Act"** means Section 53550 *et seq.* of the California Government Code.
- (b) **"Bond Insurer"** means any insurance company which issues a municipal bond insurance policy insuring the payment of principal of and interest on the Refunding Bonds.
- (c) **"Bond Payment Date"** means February 1 and August 1 of each year, commencing August 1, 2005.
- (d) **"Depository"** means the securities depository acting as Depository pursuant to Section 5(c) hereof.
- (e) **"DTC"** means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York in its capacity as securities depository for the Refunding Bonds.
- (f) **"Escrow Agreement"** means the Escrow Agreement, dated as of June 1, 2005, by and between the District and U.S. Bank National Association, or as otherwise identified in the Official Statement.
- (g) **"Federal Securities"** means direct or indirect noncallable obligations of, or noncallable nonprepayable obligations unconditionally guaranteed as to full and timely payment of principal and interest by, the United States of America, but excluding investments in mutual funds or unit investment trusts.

(h) **“Information Services”** means Financial Information, Inc.’s Daily Called Bond Service; Standard and Poor’s J.J. Kenny Information Services’ Called Bond Record; and Moody’s Municipal and Government Called Bond Record.

(i) **“Nominee”** means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 5(c) hereof.

(j) **“Participants”** means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds book-entry certificates as securities depository.

(k) **“Paying Agent”** means the Los Angeles County Treasurer and Tax Collector, or such financial institution that the Superintendent or the Assistant Superintendent of the District appoints and who is named as Paying Agent in the Official Statement.

(l) **“Record Date”** means the close of business on the fifteenth day of the month preceding each Bond Payment Date.

(m) **“Securities Depository”** means The Depository Trust Company, 55 Water Street, New York, New York 10041, Tel: (212) 855-1000 or Fax: (212) 855-7320.

SECTION 5. Terms of the Refunding Bonds. (a) Denomination, Interest, Dated Dates. The Refunding Bonds shall be issued as bonds registered as to both principal and interest, in the denominations of \$5,000 or any integral multiple thereof.

The Refunding Bonds shall be dated the date of delivery, or such other date as shall be provided for in the Official Statement or Contract of Purchase (the “Date of Delivery”), and shall bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before July 15, 2005, or such other date as set forth in the Official Statement, in which event it shall bear interest from the Date of Delivery.

The Refunding Bonds shall bear interest at a rate or rates such that the average interest rates and maximum interest yields of the Refunding Bonds shall not exceed the maximum rate permitted by law. Interest shall be payable on the respective Bond Payment Dates.

No Refunding Bond of any series shall mature later than the final maturity date of the Refunded Bonds to be refunded by such series of Refunding Bonds.

(b) **Redemption**

(i) **Optional Redemption.** Unless otherwise provided and agreed to in the Contract of Purchase or the Official Statement, the Refunding Bonds are subject to optional redemption prior to their fixed maturity dates.

(ii) **Mandatory Redemption.** If the Refunding Bonds are sold as term bonds, such Refunding Bonds shall be subject to mandatory sinking fund redemption as provided in the Official Statement.

(iii) Selection of Refunding Bonds for Redemption. Whenever provision is made in this Resolution for the redemption of Refunding Bonds and less than all Outstanding Refunding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, shall select Refunding Bonds for redemption as so directed and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent shall select Refunding Bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that the portion of any Refunding Bond to be redeemed in part shall be in the Principal Amount of \$5,000 or any integral multiple thereof.

(iv) Notice of Redemption. When redemption is authorized or required pursuant to Section 5(b)(i) and (ii) hereof, the Paying Agent, upon written instruction from the District, shall give notice (a "Redemption Notice") of the redemption of the Refunding Bonds. Such Redemption Notice shall specify: (a) the Refunding Bonds or designated portions thereof (in the case of redemption of the Refunding Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Refunding Bonds to be redeemed, (f) the Refunding Bond numbers of the Refunding Bonds to be redeemed in whole or in part and, in the case of any Refunding Bond to be redeemed in part only, the Principal Amount of such Refunding Bond to be redeemed, and (g) the original issue date, interest rate and stated maturity date of each Refunding Bond to be redeemed in whole or in part. Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed, the redemption price thereof, together with the interest accrued or accreted to the redemption date, and that from and after such date, interest with respect thereto shall cease to accrue or accrete.

The Paying Agent shall take the following actions with respect to such Redemption Notice:

(a) At least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given to the respective Owners of Refunding Bonds designated for redemption by registered or certified mail, postage prepaid, at their addresses appearing on the Bond Register.

(b) At least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) overnight delivery service, to each of the Securities Depositories.

(c) At least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, or (ii) overnight delivery service, to one of the Information Services.

Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Refunding Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Refunding Bonds shall bear or include the CUSIP number identifying, by issue and maturity, the Refunding Bonds being redeemed with the proceeds of such check or other transfer.

(v) Partial Redemption of Refunding Bonds. Upon the surrender of any Refunding Bond redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new Refunding Bond or Refunding Bonds of like tenor and maturity and of authorized denominations equal in transfer amounts to the unredeemed portion of the Refunding Bond surrendered. Such partial

redemption shall be valid upon payment of the amount required to be paid to such Owner, and the District shall be released and discharged thereupon from all liability to the extent of such payment.

(vi) Effect of Notice of Redemption. Notice having been given as aforesaid, and the moneys for the redemption (including the interest to the applicable date of redemption) having been set aside in the District's Debt Service Fund, the Refunding Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Refunding Bonds to be redeemed as provided in Section 5(b)(i) and (ii) hereof, together with interest to such redemption date, shall be held by the Paying Agent so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date, interest with respect to the Refunding Bonds to be redeemed shall cease to accrue and become payable. All money held by or on behalf of the Paying Agent for the redemption of Refunding Bonds shall be held in trust for the account of the Owners of the Refunding Bonds so to be redeemed.

All Refunding Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section 5 shall be cancelled upon surrender thereof and be delivered to or upon the order of the District. All or any portion of a Refunding Bond purchased by the District shall be cancelled by the Paying Agent.

(vii) Refunding Bonds No Longer Outstanding. When any Refunding Bonds (or portions thereof), which have been duly called for redemption prior to maturity under the provisions of this Resolution, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be held by the Paying Agent irrevocably in trust for the payment of the redemption price of such Refunding Bonds or portions thereof, and accrued interest with respect thereto to the date fixed for redemption, all as provided in this Resolution, then such Refunding Bonds shall no longer be deemed Outstanding and shall be surrendered to the Paying Agent for cancellation.

(c) Book-Entry System.

(i) The Refunding Bonds shall be initially registered in the name of "Cede & Co.," as nominee of DTC, and shall be initially issued as one Refunding Bond for each of the maturities of the Refunding Bonds or shall be issued as registered bonds with DTC eligibility only, as provided for in the Purchase Contract, and DTC is hereby appointed depository for the Refunding Bonds, and registered ownership of the Refunding Bonds may not thereafter be transferred except as provided in this Section 5(c).

(ii) Registered ownership of the Refunding Bonds, or any portion thereof, may not thereafter be transferred except:

(A) To any successor of Cede & Co., as nominee of DTC, or its nominee, or to any substitute depository designated pursuant to clause (B) of this section (a "substitute depository"); provided, that any successor of Cede & Co., as nominee of DTC or substitute depository, shall be qualified under any applicable laws to provide the services proposed to be provided by it;

(B) To any substitute depository not objected to by the District, upon (1) the resignation of DTC or its successor (or any substitute depository or its successor) from its

functions as depository, or (2) a determination by the District to substitute another depository for DTC (or its successor) because DTC or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; provided, that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(C) To any person as provided below, upon (1) the resignation of DTC or its successor (or substitute depository or its successor) from its functions as depository, or (2) a determination by the District to remove DTC or its successor (or any substitute depository or its successor) from its functions as depository.

(iii) In the case of any transfer pursuant to clause (A) or clause (B) of subsection (ii) hereof, upon receipt of the Refunding Bonds by the Paying Agent, together with a Written Request of the District to the Paying Agent, a new Refunding Bond for each maturity shall be executed and delivered in the aggregate principal amount of the Refunding Bonds then Outstanding registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such Written Request of the District. In the case of any transfer pursuant to clause (C) of subsection (ii) hereof, upon receipt of the Outstanding Refunding Bonds by the Paying Agent together with a Written Request of the District to the Paying Agent, new Refunding Bonds shall be executed and delivered in such principal amount, numbered in the manner determined by the Paying Agent and registered in the names of such persons as are requested in such Written Request of the District, subject to the limitations of this Section 5(c) and date of receipt of such a Written Request of the District, and thereafter, Refunding Bonds shall be transferred pursuant to Section 7 hereof; provided, that the District shall not be required to deliver such new Refunding Bonds within a period less than 60 days.

(iv) The District and the Paying Agent shall be entitled to treat the person in whose name any Refunding Bond is registered as the owner thereof for all purposes of the Resolution and applicable laws, notwithstanding any notice to the contrary received by the Paying Agent or the District; and the District and the Paying Agent shall have no responsibility for transmitting payments to, communication with, notifying, or otherwise dealing with any beneficial owners of the Refunding Bonds. Neither the District nor the Paying Agent shall have any responsibility or obligation, legal or otherwise, to the beneficial owners or to any other party including DTC or its successor (or substitute depository or its successor), except for the Holder of any Refunding Bonds.

(v) So long as the Outstanding Refunding Bonds are registered in the name of Cede & Co. or its registered assigns, the District and the Paying Agent shall cooperate with Cede & Co., as sole Holder, or its registered assigns in effecting payment of the principal of an interest on the Refunding Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

SECTION 6. Execution of Bonds. The Refunding Bonds shall be signed by the President of the Board of Trustees of the District or the Superintendent and the Secretary of such Board of Trustees by their manual or facsimile signatures each in their official capacities. No Refunding Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Resolution unless and until the certificate of authentication printed on the Refunding Bond is signed by the Paying Agent as authenticating agent. Authentication by the Paying Agent shall be conclusive evidence that the Refunding Bond so authenticated has been duly issued, signed and delivered under this Resolution and is entitled to the security and benefit of this Resolution. There shall be attached to each Refunding Bond, the legal opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation,

and, immediately preceding such legal opinion, a certificate executed with the facsimile signature of the Secretary of the Board of Trustees, said certificate to be in substantially the following form:

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation in connection with the issuance of, and dated as of the date of the original delivery of, the bonds. A signed copy is on file in my office.

(Facsimile Signature)

Secretary, Board of Trustees

SECTION 7. Paying Agent; Transfer and Exchange. This Board does hereby appoint the Los Angeles County Treasurer and Tax Collector to act as the authenticating agent, bond registrar, transfer agent and paying agent (collectively, the "Paying Agent") for the Refunding Bonds.

So long as any of the Refunding Bonds remain outstanding, the District will cause the Paying Agent to maintain and keep at its principal office all books and records necessary for the registration, exchange and transfer of the Refunding Bonds as provided in this Section. Subject to the provisions of Section 8 below, the person in whose name a Refunding Bond is registered on the Bond Register shall be regarded as the absolute owner of that Refunding Bond for all purposes of this Resolution. Payment of or on account of the principal of and interest on any Refunding Bond shall be made only to or upon the order of that person; neither the District nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the District's liability upon the Refunding Bonds, including interest, to the extent of the amount or amounts so paid.

Any Refunding Bond may be exchanged for Refunding Bonds of like tenor, maturity and transfer amount upon presentation and surrender at the principal office of the Paying Agent, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Refunding Bond may be transferred on the Bond Register only upon presentation and surrender of the Refunding Bond at the principal office of the Paying Agent together with an assignment executed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new Refunding Bond or Refunding Bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the transfer amount of the Refunding Bond surrendered and bearing or accruing interest at the same rate and maturing on the same date.

If manual signatures on behalf of the District are required in connection with an exchange or transfer, the Paying Agent shall undertake the exchange or transfer of Refunding Bonds only after the new Refunding Bonds are signed by the authorized officers of the District. In all cases of exchanged or transferred Refunding Bonds, the District shall sign and the Paying Agent shall authenticate and deliver Refunding Bonds in accordance with the provisions of this Resolution. All fees and costs of transfer shall be paid by the requesting party. Those charges may be required to be paid before the procedure is begun for the exchange or transfer. All Refunding Bonds issued upon any exchange or transfer shall be valid obligations of the District, evidencing the same debt, and entitled to the same security and benefit under this Resolution as the Refunding Bonds surrendered upon that exchange or transfer.

Any Refunding Bond surrendered to the Paying Agent for payment, retirement, exchange, replacement or transfer shall be cancelled by the Paying Agent. The District may at any time deliver to

the Paying Agent for cancellation any previously authenticated and delivered Refunding Bonds that the District may have acquired in any manner whatsoever, and those Refunding Bonds shall be promptly cancelled by the Paying Agent. Written reports of the surrender and cancellation of Refunding Bonds shall be made to the District by the Paying Agent at least twice each calendar year. The cancelled Refunding Bonds shall be retained for six year and then returned to the District or destroyed by the Paying Agent as directed by the District.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any Refunding Bonds during a period beginning with the opening of business on the 16th day of the month next preceding either any Bond Payment Date or any date of selection of Refunding Bonds to be redeemed and ending with the close of business on the Bond Payment Date or any day on which the applicable notice of redemption is given or (b) to transfer any Refunding Bonds which have been selected or called for redemption in whole or in part.

SECTION 8. Payment in Event Book-Entry Discontinued. Payment of interest on any Refunding Bond on any Bond Payment Date shall be made to the person appearing on the registration books of the Paying Agent as the Owner thereof as of the Record Date immediately preceding such Bond Payment Date, such interest to be paid by check mailed to such Owner on the Bond Payment Date at his address as it appears on such registration books or at such other address as he may have filed with the Paying Agent for that purpose on or before the Record Date. The Owner in an aggregate Principal Amount of \$1,000,000 or more may request in writing to the Paying Agent that such Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. The principal, interest and redemption premiums, if any, payable on the Refunding Bonds shall be payable upon maturity or redemption upon surrender at the principal office of the Paying Agent. The interest, principal and redemption premiums, if any, on the Refunding Bonds shall be payable in lawful money of the United States of America. The Paying Agent is hereby authorized to pay the Refunding Bonds when duly presented for payment at maturity, and to cancel all Refunding Bonds upon payment thereof. The Refunding Bonds are general obligations of the District.

SECTION 9. Form of Refunding Bonds. The Refunding Bonds shall be in substantially the following form, allowing those officials executing the Refunding Bonds to make the insertions and deletions necessary to conform the Refunding Bonds to this Resolution, the Contract of Purchase and the Official Statement.

(Form of Refunding Bond)

REGISTERED
NO.

REGISTERED
\$

WALNUT VALLEY UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY, CALIFORNIA
2005 GENERAL OBLIGATION REFUNDING BONDS

INTEREST RATE: MATURITY DATE: DATED AS OF: CUSIP
____% per annum August 1, 20____ _____, 2005

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The Walnut Valley Unified School District (the "District") in Los Angeles County, California (the "County"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate stated above, on February 1 and August 1 of each year (the "Bond Payment Dates"), commencing August 1, 2005. This bond is a bond of the District and will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before July 15, 2005, in which event it shall bear interest from the Date of Delivery. Principal and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the Register maintained by the Paying Agent, initially the Los Angeles County Treasurer and Tax Collector. Principal is payable upon presentation and surrender of this bond at the principal office of the Paying Agent. Interest is payable by check or draft mailed by the Paying Agent on each Bond Payment Date to the Registered Owner of this bond (or one or more predecessor bonds) as shown and at the address appearing on the Register at the 15th day of the calendar month next preceding that Bond Payment Date (the "Record Date"). The Owner of Refunding Bonds in the aggregate principal amount of \$1,000,000 or more may request in writing to the Paying Agent that the Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due, and for levying and collecting such taxes the full faith and credit of the District are hereby pledged.

This bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication below has been signed.

This bond is one of an authorization of \$_____ of bonds issued by the Walnut Valley Unified School District pursuant to Government Code Section 53550 *et seq.* (the "Act") for the purpose of advance refunding all or a portion of the outstanding \$7,000,000 original principal amount of Walnut Valley Unified School District (County of Los Angeles, California) General Obligation Bonds, 2000 Election, Series A, \$7,000,000 original principal amount of Walnut Valley Unified School District (County of Los Angeles, California), General Obligation Bonds, 2000 Election, Series B, \$8,000,000 original principal amount of Walnut Valley Unified School District (County of Los Angeles, California), General Obligation Bonds, 2000 Election, Series C and to pay all necessary legal, financial, engineering and contingent costs in connection therewith. The bonds are being issued under authority of and pursuant to the Act, the laws of the State of California, and the resolution of the Board of Trustees of the District adopted on May 4, 2005 (the "Bond Resolution"). This bond and the issue of which this bond is one are payable as to both principal and interest from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount. The bonds of this issue are general obligations of the District.

This bond is exchangeable and transferable for bonds of like tenor and maturity and in authorized denominations at the principal office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Paying Agent, together with a request for exchange or an assignment signed by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. All fees and costs of transfer shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any bond during a period beginning with the opening of business on the 16th business day next preceding either any Bond Payment Date or any date of selection of bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) to transfer any bond which has been selected or called for redemption in whole or in part.

[The Refunding Bonds are subject to redemption prior to maturity.]

Reference is made to the Bond Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the bonds of this series, the rights, duties and obligations of the District, the Paying Agent and the Registered Owners, and the terms and conditions upon which the bonds are issued and secured. The Registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

IN WITNESS WHEREOF, the Walnut Valley Unified School District, Los Angeles County, California, has executed this bond by the manual or facsimile signature of the President of the Board of Trustees of the District and to be countersigned by manual or facsimile signature of the Secretary or Clerk of the Board of Trustees of the District all as of the date stated above.

WALNUT VALLEY UNIFIED SCHOOL DISTRICT

By: _____
President, Board of Trustees

COUNTERSIGNED:

Clerk, Board of Trustees

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on _____, 2005.

TREASURER AND TAX COLLECTOR OF
LOS ANGELES COUNTY, as Paying Agent

U.S. BANK NATIONAL ASSOCIATION, as Agent

By: _____
Authorized Signatory

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address and zip code of Transferee): _____ this bond and irrevocably constitutes and appoints _____ attorney to transfer this bond on the books for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Commercial bank, trust company
or member of a national
securities exchange.

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or any change whatever, and the signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee: _____.

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

LEGAL OPINION

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation, in connection with the issuance of, and dated as of the date of the original delivery of, the Refunding Bonds. A signed copy is on file in my office.

Secretary
Board of Trustees

SECTION 10. Delivery of Refunding Bonds. The proper officials of the District shall cause the Refunding Bonds to be prepared and, following their sale, shall have the Refunding Bonds signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Refunding Bonds, to the original purchaser upon payment of the purchase price therefor.

SECTION 11. Deposit of Proceeds of Bonds; Escrow Agreement. (a) An amount of the net proceeds from the sale of the Refunding Bonds necessary to purchase the Federal Securities needed to refund the Refunded Bonds shall be transferred to the Escrow Agent for deposit in the Escrow Fund established under the Escrow Agreement, which is hereby authorized to be prepared, all as set forth in a certificate of a District official. Proceeds of the sale of the Refunding Bonds necessary to pay all costs of issuing such Refunding Bonds shall be deposited in the fund and held by the Paying Agent known as the "Walnut Valley Unified School District 2005 General Obligation Refunding Bond Costs of Issuance Fund" (the "Costs of Issuance Fund") and those proceeds shall be used solely for the purpose of paying costs of issuance of the Refunding Bonds.

The accrued interest received by the District from the sale of the Refunding Bonds, if any, shall be kept separate and apart in the fund hereby created and established and to be designated as the "Walnut Valley Unified School District 2005 General Obligation Refunding Bond Debt Service Fund" (the "Refunding Bond Debt Service Fund") for the Refunding Bonds and used only for payments of principal of and interest on the Refunding Bonds. The Refunding Bond Debt Service Fund may, at the discretion of the District, be held by the County. Any premium received by the District from the sale of the Refunding Bonds may be deposited in the Prior Bonds Building Fund and expended solely for the purpose set forth in the Authorization. Any excess proceeds of the Refunding Bonds not needed for the authorized purposes set forth herein for which the Refunding Bonds are being issued shall be transferred to the Refunding Bond Debt Service Fund and applied to the payment of principal of and interest on the Refunding Bonds. If, after payment in full of the Refunding Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the general fund of the District.

Except as required below to satisfy the requirements of Section 148(f) of the Internal Revenue Code of 1986, as amended (the "Code"), interest earned on the investment of monies held in the Debt Service Fund shall be retained in the Debt Service Fund and used to pay principal and interest on the Refunding Bonds when due.

(b) **Rebate Fund.**

(i) **General.** If necessary, there shall be established a special fund designated the "Walnut Valley Unified School District 2005 General Obligation Refunding Bond Rebate Fund" (the "Rebate Fund"). All amounts at any time on deposit in the Rebate Fund shall be held in trust, to the extent required to satisfy the requirement to make rebate payments to the United States (the "Rebate Requirement") pursuant to Section 148 of the Code and the Treasury Regulations promulgated thereunder (the "Treasury Regulations"). Such amounts shall be free and clear of any lien under this Resolution and shall be governed by this Section and Section 13 of this Resolution and by the Tax Certificate concerning certain matters pertaining to the use and investment of proceeds of the Refunding Bonds, executed by and delivered to the District on the date of issuance of the Refunding Bonds, including any and all exhibits attached thereto (the "Tax Certificate").

(ii) Deposits.

(a) Within 45 days of the end of every fifth Bond Year (as such term is defined in the Tax Certificate), (1) the District shall calculate or cause to be calculated with respect to the Refunding Bonds the amount that would be considered the “rebate amount” within the meaning of Section 1.148-3 of the Treasury Regulations, using as the “computation date” for this purpose the end of such Bond Year, and (2) the District shall deposit to the Rebate Fund from amounts available therefor, if and to the extent required, amounts sufficient to cause the balance in the Rebate Fund to be equal to the “rebate amount” so calculated.

(b) The District shall not be required to deposit any amount to the Rebate Fund in accordance with the preceding sentence if the amount on deposit in the Rebate Fund prior to the deposit required to be made under this subsection (ii) equals or exceeds the “rebate amount” calculated in accordance with the preceding sentence. Such excess may be withdrawn from the Rebate Fund to the extent permitted hereunder.

(c) The District shall not be required to calculate the “rebate amount,” and shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (ii), with respect to all or a portion of the proceeds of the Refunding Bonds (including amounts treated as proceeds of the Refunding Bonds) (1) to the extent that such proceeds satisfy the expenditure requirements of Section 148(f)(4)(B) or Section 148(f)(4)(C) of the Code or Section 1.148-7(d) of the Treasury Regulations, whichever is applicable, and otherwise qualify for the exception to the Rebate Requirement pursuant to whichever of said sections is applicable, (2) to the extent such proceeds are subject to an election by the District under Section 148(f)(4)(C)(vii) of the Code to pay a 1½% penalty in lieu of arbitrage rebate in the event any of the percentage expenditure requirements of Section 148(f)(4)(C) are not satisfied, or (3) to the extent such proceeds qualify for the exception to arbitrage rebate under Section 148(f)(4)(A)(ii) of the Code for amounts in a “bona fide debt service fund.” In such event, and with respect to such amounts, the District shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (ii).

(iii) Withdrawal Following Payment of Refunding Bonds. Any funds remaining in the Rebate Fund after redemption of all the Refunding Bonds and any amounts described in paragraph (2) of subsection (iv) of this Section, including accrued interest, shall be transferred to the general fund of the District.

(iv) Withdrawal for Payment of Rebate. The District, subject to the exceptions contained in subsection (ii) of this Section to the requirement to calculate the “rebate amount” and make deposits to the Rebate Fund, shall pay to the United States, from amounts on deposit in the Rebate Fund,

(1) not later than 60 days after the end of (i) the fifth Bond Year, and (ii) each fifth Bond Year thereafter, an amount that, together with all previous rebate payments, is equal to at least 90% of the “rebate amount” calculated as of the end of such Bond Year in accordance with Section 1.148-3 of the Treasury Regulations; and

(2) not later than 60 days after the payment of all Refunding Bonds, an amount equal to 100% of the “rebate amount” calculated as of the date of such payment (and any

income attributable to the “rebate amount” determined to be due and payable) in accordance with Section 1.148-3 of the Treasury Regulations.

(v) Rebate Payments. Each payment required to be made pursuant to subsection (v) of this Section shall be made to the Internal Revenue Service Center, Ogden, Utah 84201 on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, which shall be completed by or on behalf of the District.

(vi) Deficiencies in the Rebate Fund. In the event that, prior to the time any payment is required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the District shall calculate the amount of such deficiency and deposit an amount received from the District equal to such deficiency into the Rebate Fund prior to the time such payment is due.

(vii) Withdrawals of Excess Amounts. In the event that immediately following the calculation required by subsection (ii) of this subsection, but prior to any deposit made under said subsection, the amount on deposit in the Rebate Fund exceeds the “rebate amount” calculated in accordance with said subsection, the District shall withdraw the excess from the Rebate Fund and transfer such excess to the general fund of the District.

(viii) Record Keeping. The District shall retain records of all determinations made hereunder until six years after the complete retirement of the Refunding Bonds.

(ix) Survival of Defeasance. Notwithstanding anything in this Resolution to the contrary, the Rebate Requirement shall survive the payment in full or defeasance of the Refunding Bonds.

SECTION 12. Security for the Bonds. There shall be levied on all the taxable property in the District, in addition to all other taxes, a continuing direct *ad valorem* tax annually during the period the Refunding Bonds are outstanding in an amount sufficient to pay the principal of and interest on the Refunding Bonds when due, which monies when collected will be placed in the Debt Service Fund of the District, which fund is irrevocably pledged for the payment of the principal of and interest on the Refunding Bonds when and as the same fall due. The District covenants to cause the County to take all actions necessary to levy such *ad valorem* tax, in accordance with this Section 12 and Section 53559 of the Act.

SECTION 13. Arbitrage Covenant. The District will restrict the use of the proceeds of the Refunding Bonds in such manner and to such extent, if any, as may be necessary, so that the Refunding Bonds will not constitute arbitrage bonds under Section 148 of the Code and the applicable regulations prescribed under that Section or any predecessor section.

SECTION 14. Conditions Precedent; Findings. This Board determines that all acts and conditions necessary to be prepared by the Board or to have been met precedent to and in the issuing of the Refunding Bonds in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Refunding Bonds have been performed and have been met, in regular and due form as required by law; that the full faith and credit of the District are pledged for the timely payment of the principal of and interest on the Refunding Bonds; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Refunding Bonds. Furthermore, the Board finds and

determines pursuant to Section 53552 of the Act that the prudent management of the fiscal affairs of the District requires that it issue the Refunding Bonds without submitting the question of the issuance of the Refunding Bonds to a vote of the qualified electors of the District.

SECTION 15. Official Statement. An Official Statement relating to the Refunding Bonds to be used in connection with the offering and sale of the Refunding Bonds is hereby authorized to be prepared by Stradling Yocca Carlson & Rauth, a Professional Corporation. The District and the Underwriter are hereby authorized to distribute copies of the Preliminary Official Statement and the Official Statement to persons who may be interested in the purchase of the Refunding Bonds and are directed to deliver copies of any final Official Statement to the purchasers of the Refunding Bonds described therein, in such time and manner as to conform with the requirements of Rule 15c2-12 of the Securities and Exchange Commission. Execution of an Official Statement shall conclusively evidence the District's approval of such Official Statement. The Superintendent or the Assistant Superintendent of the District, each alone, are hereby authorized to execute the official statement and to deem "final" pursuant to Rule 15c2-12 of the Securities and Exchange Commission the Preliminary Official Statement prior to its distribution.

SECTION 16. Insurance. In the event the District purchases bond insurance for the Refunding Bonds, and to the extent that the Bond Insurer makes payment of the principal or interest on the Refunding Bonds, it shall become the owner of such Refunding Bonds with the right to payment of principal or interest on the Refunding Bonds, and shall be fully subrogated to all of the Owners' rights, including the Owners' rights to payment thereof. To evidence such subrogation (i) in the case of subrogation as to claims that were past due interest components, the Paying Agent shall note the Bond Insurer's rights as subrogee on the registration books for the Refunding Bonds maintained by the Paying Agent upon receipt of a copy of the cancelled check issued by the Bond Insurer for the payment of such interest to the Owners of the Refunding Bonds, and (ii) in the case of subrogation as to claims for past due principal, the Paying Agent shall note the Bond Insurer as subrogee on the registration books for the Refunding Bonds maintained by the Paying Agent upon surrender of the Refunding Bonds by the Owners thereof to the Bond Insurer or the insurance trustee for the Bond Insurer.

SECTION 17. Defeasance. All or any portion of the outstanding maturities of the Refunding Bonds may be defeased prior to maturity in the following ways:

(a) Cash: by irrevocably depositing with the County or with an independent escrow agent selected by the District an amount of cash which together with amounts then on deposit in the Debt Service Fund (as herein defined) is sufficient to pay all Bonds outstanding and designated for defeasance, including all principal and interest and premium, if any; or

(b) Government Obligations: by irrevocably depositing with the County or with an independent escrow agent selected by the District noncallable Government Obligations together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and moneys then on deposit in the Debt Service Fund together with the interest to accrue thereon, be fully sufficient to pay and discharge all Bonds outstanding and designated for defeasance (including all Principal and interest represented thereby and prepayment premiums, if any) at or before their maturity date;

then, notwithstanding that any of such Bonds shall not have been surrendered for payment, all obligations of the District and the County with respect to all such designated outstanding Bonds shall cease and terminate, except only the obligation of the County and the Bond Registrar or an independent escrow agent selected by the District to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) of this Section, to the owners of such designated Bonds not so surrendered and paid all sums due with respect thereto.

For purposes of this Section, Government Obligations shall mean:

Direct and general obligations of the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, or "prerefunded" municipal obligations rated in the highest rating category by Moody's Investors Service or Standard & Poor's. In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed "AAA" by Standard & Poor's or "Aaa" by Moody's Investors Service.

SECTION 18. Other Actions, Determinations and Approvals. (a) Officers of the Board and staff are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance of the Refunding Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

(b) The Board hereby finds and determines that the total net interest cost to maturity on the Refunding Bonds plus the principal amount of the Refunding Bonds will be less than the total net interest cost to maturity on the Refunded Bonds plus the principal amount of the Refunded Bonds.

(c) The Board anticipates that (i) the Series A Bonds to be refunded will be redeemed on or about August 1, 2010, (ii) the Series B Bonds to be refunded will be redeemed on or about August 1, 2009, and the Series C Bonds to be refunded will be redeemed on or about August 1, 2010.

(d) The Board hereby appoints U.S. Bank National Association as escrow agent (the "Escrow Agent") for the Refunding Bonds and approves the forms of the Escrow Agreement, dated as of June 1, 2005, by and between the District and the Escrow Agent providing for the refunding of the Prior Bonds on file with the Clerk of the Board. The Superintendent or the Assistant Superintendent, each alone, is authorized to execute the Escrow Agreement with such changes as they shall approve, such approval to be conclusively evidenced by his or her execution and delivery thereof.

(e) The Board hereby appoints UBS Financial Services Inc. as the underwriter, and Stradling Yocca Carlson & Rauth, a Professional Corporation, as bond counsel, with respect to the issuance of the Refunding Bonds.

(f) The provisions of this Resolution as they relate to the terms of the Refunding Bonds may be amended by the Contract of Purchase and the Official Statement.

SECTION 19. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of that certain Continuing Disclosure Certificate executed by the District and dated the date of issuance and delivery of the Refunding Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof. Any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section. Noncompliance with this Section shall not result in acceleration of the Refunding Bonds.

SECTION 20. Resolution to Treasurer and Tax Collector. The Secretary of this Board is hereby directed to provide a certified copy of this Resolution to the Treasurer and Tax Collector of Los Angeles County immediately following its adoption.

SECTION 21. Effective Date. This Resolution shall take effect immediately upon its passage.


PASSED AND ADOPTED this 4th day of May, 2005, by the following vote:

AYES: 4

NOES: 0

ABSENT: 1

ABSTENTIONS: 0



Vice-President, Board of Trustees
Walnut Valley Unified School District

Attest:



Clerk, Board of Trustees



CLERK'S CERTIFICATE

I, Anyork Lee, Clerk of the Board of Trustees of the Walnut Valley Unified School District, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Trustees of said District duly and regularly and legally held at the regular meeting place thereof on May 4, 2005, of which meeting all of the members of the Board of said District had due notice and at which a quorum was present.

I have carefully compared the same with the original minutes of said meeting on file and of record in my office and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: May 4, 2005



Clerk